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C O N F I D E N T I A L THE HAGUE 001779

SIPDIS

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TAGS: [PREL](#) [NL](#) [CH](#)

SUBJECT: NETHERLANDS/EU/CHINA ARMS EMBARGO: REDIRECTION  
NEEDED

REF: SCHOFFER-HOLLIDAY TELCONS

Classified By: AMBASSADOR CLIFFORD SOBEL, REASONS 1.4(B) AND (D).

11. (C) On July 15, senior Dutch government interlocutors engaged in a robust and animated discussion on the China Arms Embargo during a dinner hosted by Ambassador Sobel for EUR DAS Glyn Davies and EUR/ERA Kathy Allegrone. The Dutch side pulled out all the familiar arguments (inevitability of lift, desire for a "strategic dialogue" with China, China is not what it was 15 years ago, China doesn't belong in same category as Burma and Zimbabwe, etc.) and some new ones: the EU can't have a relationship with the Chinese military without lifting the embargo on other countries (including the U.S.) are already transferring more sensitive equipment; Europe's global economic competitiveness is on the line, etc. The clear sense was that the Dutch side (claiming to speak for the EU) were pulling out all the arguments they could think of to convince the U.S. side that the train has already left the station.

13. (C) Most of the arguments the Dutch presented can be (and were) easily countered. A comprehensive approach for shifting the entire context of the debate onto more favorable ground, however, is clearly needed. Intelligence briefings, in our view, can only do part of the job; those who want to be convinced (mostly on the military side) already are, while their political leaders are obviously making their decisions on other grounds. Redirecting the EU debate will require sustained, convincingly senior policy-level engagement with the Dutch, the British, and other key partners.

14. (C) During the dinner mentioned above, Prime Minister Balkenende's senior foreign policy advisor provided an opening for engagement by proposing that the U.S. and EU should look for a "common starting point" to discuss the perceived human rights and regional threat issues related to the China debate. From our discussions here with the Dutch, we believe a convincing case should be based on some combination of the following points/questions:

- If China of today is really different from the China of 1989, the onus must be on the EU and China to prove it. Has China acknowledged the events of 1989 and punished those responsible? Where are the apologies for the victims? What has China done to ensure that Tiananmen won't happen again?

- China has made some progress since 1989, but there has also been backsliding, especially in the last two years. How would lifting the embargo reverse this negative trend? Can the EU prove it?

- Does offering China what it demands in the hope of reciprocal action really work? If the EU is serious about bringing about positive change in China, it should hold out the promise of lifting the embargo as a reward for measurable and delivered progress. What leverage will the EU have left once the embargo is lifted?

- Is there a real, enforceable mechanism in place for ensuring that no additional weapons/dual technology will go to China after lift? If no such mechanism is in operation and demonstrated to be effective, then any promises of strengthening the "code of conduct" or other alternative mechanisms are unsatisfactory and unconvincing.

15. (C) The Dutch and British in particular need to know the USG is determined at senior levels to prevent lift until circumstances change significantly. Post experience suggests that regional states such as Australia or Japan will only play a minimally helpful role in this effort. (Note: The Australian Ambassador told Ambassador Sobel on July 15 that he had received no instructions -- "not a bloody thing" -- to engage the Dutch on the embargo. End Note.) We would therefore recommend that Washington consider sending a high-level policy team to the Hague elsewhere specifically to discuss China (perhaps within the rubric of a broader EU-US discussion on Asia) at the earliest opportunity. The Dutch still hope to have this issue on the agenda of the September 3-4 Gymnic which means they will push to have an agreement in place before the end of July (since August is a "down" month for the EU.)

16. (C) At this point, the USG is not trying to influence an EU decision much as reverse one that many -- if not most -- EU parties believe has already been made. The Dutch are committed to a successful EU-China summit as well as improving the EU's relationship with a growing strategic power. We sense that the Dutch are growing irritated at our unwillingness to "accept the inevitable" and their inability to find a mechanism to balance our interests with those of the EU and China. If forced to make a choice, the Dutch and others will have to believe that the negative fallout from lift to the US-EU relationship will be more than they are willing to accept. If the Dutch are a good guide to the European mainstream, it will take a full court press on several fronts to produce enough "reasonable doubt" within Europe to get past the December Summit with the embargo still in place.

SOBEL